

**CENTRAL VALLEY PROJECT IMPROVEMENT ACT (CVPIA)  
PROPOSAL FOR FUNDING  
Mill Creek Protection Program  
Hidden Marina Resort (Schnapp Property)**

**Summary:**

- The Nature Conservancy is requesting a grant of \$76,800 from CVPIA's Anadromous Fish Restoration Plan program funds for fiscal year 2000 and fiscal year 2001.
- This grant will be used to purchase a conservation easement on approximately 1928 acres of property at the confluence of Mill Creek and the Sacramento River.
- The proposed project supports the objectives of the CVPIA and is identified as a high priority action in the Anadromous Fish Restoration Plan (AFRP).

**Watershed:** Mill Creek at its confluence with the Sacramento River

**Watershed priority:** High

**Action:** Preserve and enhance riparian habitats along the lower reach of Mill Creek by purchasing a conservation easement on approximately 19 acres at the confluence with the Sacramento River.

**Location:** Lower Mill Creek

**AFRP action priority:** High

**Objectives:**

- To protect riparian land for fish and wildlife;
- To improve the long-term sustainability of natural production of anadromous fish populations, in particular spring-run chinook salmon and steelhead; and
- To support local community efforts toward habitat protection and enhancement

**Scope of work:** The proposed grant will fund the purchase of a conservation easement at fair market value on approximately 19 acres at the mouth of Mill Creek. The 19 acres support a riparian forest along Mill Creek and its confluence with the Sacramento River. Adjacent to the property are eight acres operated as the Hidden Marina. The resort provides seasonal facilities to recreational vehicle users, has a few year-round tenants in mobile homes and includes a marina along the Sacramento River. Protecting the important riparian vegetation at the mouth of Mill Creek is a key consideration in proceeding with the conservation easement purchase. The property contains a private levee along Mill Creek, and the property floods from time to time tenants from the adjacent park as well as the other two parks in the vicinity were evacuated in the 1997 flood. A portion of the grant funds will also be used to cover direct costs including survey, appraisal, hazardous materials phase I assessment, baseline report, closing costs and escrow fees as well as staff salaries and overhead.

The Nature Conservancy has met with the owner to discuss the conservation easement purchase. The Mill Creek Conservancy is aware of the negotiations and supports this proposal. The Tehama County supervisor representing the area, Bill Borrer, was contacted as well as the local Chamber of Commerce when the acquisition of the property and the adjacent park was proposed. This is a new project, and so, no other funding source has been contacted at this time. The Nature Conservancy may, in the future, transfer the conservation easement to a qualified public agency or private, non-profit organization for long-term monitoring.

**Benefits of the project:** Mill Creek supports a Sacramento River tributary ecosystem that is highly ranked in the CALFED Ecosystem Restoration Program Plan and in the U.S. Fish and Wildlife Service's Anadromous Fish Restoration Plan. The Nature Conservancy has already purchased three properties on the creek and has two revegetation projects underway with funding support from CVPIA, CALFED, National Fish & Wildlife Foundation,

Mennen Foundation and private sources. This proposal complements the Mill Creek and Sacramento River land protection efforts by protecting a critical section at the confluence of the creek. Protection of Mill Creek, including the associated riparian and upland habitats, addresses several key objectives of the AFRP by working to improve the long-term sustainability of natural production of anadromous fish populations and to involve partners in the local community in the implementation of habitat protection and enhancement efforts.

Protection of streamside property along Mill Creek is expected to improve the long-term sustainability of natural production of anadromous fish populations, in particular spring-run chinook salmon and steelhead trout, by ensuring compatible uses of riparian and upland habitat and preventing degradation of habitat due to conversion to more intensive, non-compatible land uses. The 19 acres at the confluence of the Sacramento River and Mill creek a critical area for fish passage into Mill Creek. Protection of the existing riparian vegetation along Mill Creek is a priority since the presence of the vegetation affects stream shading, helps to control erosion and siltation and provides terrestrial habitat for insect prey of native fish. Purchasing a conservation easement on the property will permit the existing habitat to remain unfragmented while preventing any further development in a potential flood area. Tributary ecosystems are also hydrologically integral to the larger Sacramento River mainstem and therefore have a direct impact on the native fisheries throughout the river system. This property, in particular, plays an important role in passage of fish and the management of floodwaters on both Mill Creek and the Sacramento River. Mill Creek also provides essential breeding habitat, migratory corridors and dispersal pathways for numerous species of neotropical migratory birds and other wildlife.

**Monitoring and data evaluation:** As part of this proposal, an initial site and resource assessment will be conducted for the property as part of the baseline report (easement documentation report). This report will examine the existing condition of the property at the time of purchase of the conservation easement. The benefits of land protection through the conservation easement are largely preventive providing that the property may not be further subdivided or developed in an adverse manner. Future monitoring of the conservation easement, which is outside the scope of this proposal, comes in the form of compliance monitoring to ensure that the terms of the conservation easement are met.

Beyond the scope of this proposal, it is The Nature Conservancy's strategy at Mill Creek to work cooperatively with the Mill Creek Conservancy on their efforts to preserve the habitat of Mill Creek. In addition, the Conservancy is active in the efforts to create a naturally meandering river channel along the Sacramento River. TNC has also contracted this year with the Point Reyes Bird Observatory (PRBO) to conduct a second year of neotropical bird monitoring on Mill Creek and to continue its bird monitoring along the Sacramento River. Riparian habitat and bird monitoring will follow the methodology in *A Handbook of Field Methods for Monitoring Landbirds* by C.J. Ralph et al. (U.S.D.A. Forest Service Publication, Gen. Tech. Rep. PSW-GTR-149, 1993). Bird monitoring is a coordinated effort with PRBO to understand the importance of tributaries to the greater Sacramento River ecosystem.

**Table 1 - Monitoring and data collection information**

| Biological and ecological objectives                                 |  |                            |   |
|--|--|----------------------------|---|
| Question and hypothesis to be evaluated                              | Monitoring parameters and data collection approach                       | Evaluation approach        | Comments  |
| Conditions of the easement will be met by the landowner? (Compliance | Site visits are made, condition recorded, and property owner notified of | Standard monitoring forms. | High priority/ This work will fall outside the terms of a grant |

|   |   |  |   |
|---|---|--|---|
| monitoring)   | any infractions. The easement would likely include development, stream bank protection and grazing restrictions or limitations.   |  | agreement.  |
| Lands protected by easement contribute to the recovery of species of concern to AFRP? | TNC will work cooperatively with government agencies and nonprofits such as USF&WS, CDF&G, Mill Creek Conservancy and PRBO to assess the region-wide health of salmon, neotropical birds and other species. | <b>If desired, TNC will encourage the placement of monitoring stations for aquatic and riparian species on protected sites and encourage landowners to participate in monitoring programs.</b> | Moderate/ This work will fall outside the terms of a grant agreement. |

#### *Schedule milestones*

**FY 1999** (June 1, 1999 B Sept. 30, 1999)

- \_ Begin negotiating conservation easement with the landowner.

**FY 2000-01** (Oct 1, 1999 B Sept 30, 2001)

- \_ Complete the negotiation and begin and complete due diligence.
- \_ Close on the conservation easement.

#### **TOTAL BUDGET**

##### *Budget costs:*

**Budget costs:** Direct salary and benefits of \$13,000 are calculated for all tasks described in the Scope of Work including Acquisition and Project Management activities. Benefits are calculated at 37.5% of salary paid for hours worked in accordance with our Negotiated Indirect Costs Rate Agreement (NICRA) fringe benefit rate.

Service Contracts of \$26,000 include Acquisition costs (appraisal, survey, phase 1 assessment, closing and escrow costs). Most of the Acquisition services will be obtained from a group of vendors that the Conservancy uses on a regular basis and pays from invoice rather than through a written contract.

Material costs of \$30,000 are estimated capital costs for purchase of the conservation easement on 19 acres. Actual costs for the easement acquisition will be based on an appraisal. Other costs incurred in acquisition of the property are included in Service Contracts.

Overhead and indirect costs of \$7800 included in this proposal are 20% of direct salaries and benefits and service contracts -- our approved NICRA indirect cost rate, which is 20% of total direct project costs, including subcontracts but excluding the purchase price of any land interests. The indirect portion includes costs associated with general office requirements and general staff as well as legal and grants administration staff.

| Task | Direct Labor | Direct Salary & | Service Contracts | Material & Acquisition | Misc. and Other | Overhead and | Total Cost |
|------|--------------|-----------------|-------------------|------------------------|-----------------|--------------|------------|
|------|--------------|-----------------|-------------------|------------------------|-----------------|--------------|------------|

|                    | Hours          | Benefits |        | Costs  | Direct Costs | Indirect costs |          |
|--------------------|----------------|----------|--------|--------|--------------|----------------|----------|
| Acquisition        | Acquisition 90 | 3,000    | 26,000 | 30,000 |              | 5,800          | \$64,800 |
| Project Management |                | 10,000   |        |        |              | 2,000          | 12,000   |
| TOTALS             | 90             | 13,000   | 26,000 | 30,000 |              | 7,800          | \$76,800 |

TNC will request that, if timing permits, capital funds be advanced into escrow prior to closing or as an alternative, TNC will close with its own funds and request reimbursement for capital costs in addition to other acquisition costs.

Deliverables: The Conservancy will provide a copy of the appraisal, legal description, recorded conservation easement and map of the property upon request.

Table 3 - Sample quarterly budget

| Task               | Quarterly Budget<br>Oct-Dec 00 | Quarterly Budget<br>Jan-Mar 01 | Quarterly Budget<br>Apr-Jun 01 | Quarterly Budget<br>Jul-Sep 01 | Quarterly Budget<br>Oct-Dec 01 | Total Budget |
|--------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------|
| Acquisition        | \$7,200                        | \$52,800*                      | \$2,400                        | \$2,400                        |                                | \$64,800     |
| Project Management | \$2,400                        | \$4,800                        | \$2,400                        | \$2,400                        |                                | \$12,000     |

\*\$30,000 of this cost may occur in the next quarter.